



**CHINA TRENDS HOLDINGS LIMITED**  
**中國趨勢控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8171)

**THIRD QUARTERLY REPORT 2014**

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*This report, for which the directors of China Trends Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to China Trends Holdings Limited. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

The board (the "Board") of directors (the "Directors") of China Trends Holdings Limited (the "Company") presents the unaudited consolidated results of the Company and its subsidiaries (together, the "Group") for the nine months ended and the three months ended 30 September 2014, together with the unaudited comparative amounts for the corresponding period in 2013, as follows:

	Notes	Nine months ended 30 September		Three months ended 30 September	
		2014 HK\$'000 Unaudited	2013 HK\$'000 Unaudited	2014 HK\$'000 Unaudited	2013 HK\$'000 Unaudited
<b>REVENUE</b>	3	<b>37,588</b>	56,786	<b>11,183</b>	32,657
Cost of sales		(35,891)	(54,932)	<b>10,770</b>	(31,731)
Gross profit		<b>1,697</b>	1,854	<b>413</b>	926
Other income and gains	3	<b>124</b>	937	<b>104</b>	666
Administrative and other operating expenses		<b>(6,846)</b>	(9,315)	<b>(1,637)</b>	(2,874)
<b>LOSS BEFORE TAX</b>		<b>(5,025)</b>	(6,524)	<b>(1,120)</b>	(1,282)
Income tax expenses	4	—	—	—	—
<b>LOSS FOR THE PERIOD</b>		<b>(5,025)</b>	(6,524)	<b>(1,120)</b>	(1,282)
<b>OTHER COMPREHENSIVE (LOSS)/INCOME:</b>					
Items that may be classified to profit or loss:					
Exchange difference on translation of foreign operations		(992)	1,187	<b>631</b>	265
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(6,017)</b>	(5,337)	<b>(489)</b>	(1,017)
<b>LOSS FOR THE PERIOD ATTRIBUTABLE TO:</b>					
Owners of the Company		<b>(5,009)</b>	(6,501)	<b>(1,114)</b>	(1,282)
Non-controlling interests		<b>(16)</b>	(23)	<b>(6)</b>	—
		<b>(5,025)</b>	(6,524)	<b>(1,120)</b>	(1,282)

		Nine months ended 30 September		Three months ended 30 September	
		2014	2013	2014	2013
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		Unaudited	Unaudited	Unaudited	Unaudited
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD ATTRIBUTABLE TO:</b>					
		(5,992)	(5,327)	(490)	(1,020)
		(25)	(10)	1	3
		<b>(6,017)</b>	<b>(5,337)</b>	<b>(489)</b>	<b>(1,017)</b>
<b>LOSS PER SHARE</b>					
		(0.08)	(0.10)	(0.02)	(0.02)
		N/A	N/A	N/A	N/A

Notes

5

5

Notes:

### 1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and its principal place of business in Hong Kong is situated at 26/F, No. 9 Des Voeux Road West, Sheung Wan, Hong Kong.

The principal activity of the Company is investment holding. The Group was principally engaged in (i) trading of electronic technology and related products, and (ii) the low carbon products applications. Mainly develop business of low-carbon energy-saving digital media products solutions and applications make use of the energy performance contracting (EPC) and BOT mechanism which would apply to different sectors in the society and different cities.

The shares of the Company have been listed on the Growth Enterprise Market of the Stock Exchange since 31 July 2002.

### 2. BASIS OF PREPARATION

These condensed unaudited consolidated financial statements have been prepared in accordance with the applicable disclosure requirements to the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of The Stock Exchange (the "GEM Listing Rules") and with Hong Kong Financial Reporting Standards which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The accounting policies adopted in preparing these third quarterly results are consistent with those used in the Company's annual audited consolidated financial statements for the year ended 31 December 2013. The third quarterly results are unaudited but have been reviewed by the Company's audit committee.

### 3. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue, other income and gains is as follows:

	Nine months ended 30 September		Three months ended 30 September	
	2014 HK\$'000 Unaudited	2013 HK\$'000 Unaudited	2014 HK\$'000 Unaudited	2013 HK\$'000 Unaudited
<b>Revenue</b>				
Sales of goods	37,588	56,786	11,183	32,657
<b>Other income and gains</b>				
Bank interest income	25	934	5	664
Others	99	3	99	2
	124	937	104	666

#### 4. INCOME TAX EXPENSES

No provision for taxation has been made since the Company has tax loss during the nine months ended 30 September 2014 (nine months ended 30 September 2013: Nil). Tax arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

#### 5. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share for the period is based on the unaudited net loss attributable to owners of the Company and the weighted average number of ordinary shares in issue during the nine months ended 30 September 2014 and 30 September 2013.

The calculations of basic loss per share are based on:

	Nine months ended 30 September		Three months ended 30 September	
	2014	2013	2014	2013
	HK\$'000 Unaudited	HK\$'000 Unaudited	HK\$'000 Unaudited	HK\$'000 Unaudited
Loss attributable to owners of the Company, used in the basic loss per share calculation	5,009	6,501	1,114	1,282

	Number of shares			
	Nine months ended 30 September		Three months ended 30 September	
	2014	2013	2014	2013
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	6,635,001,932	6,635,001,932	6,635,001,932	6,635,001,932

The computation of the diluted loss per share does not assume the exercise of the Company's share options and convertible bonds as the exercise of the share options and convertible bonds will give rise to an anti-dilutive effect.

6. RESERVES

	Share premium account HK\$'000	Share option reserve HK\$'000	Foreign currency translation reserve HK\$'000	Equity component of convertible bonds HK\$'000	Special reserve HK\$'000	Capital reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non- Controlling interests HK\$'000	Total HK\$'000
At 1 January 2013 (Audited)	235,563	5,117	3,812	391,534	11,157	(1,638)	(575,436)	70,109	1,505	71,614
Loss for the period	-	-	-	-	-	-	(6,501)	(6,501)	(23)	(6,524)
Other comprehensive income for the period	-	-	1,174	-	-	-	-	1,174	13	1,187
At 30 September 2013 (Unaudited)	235,563	5,117	4,986	391,534	11,157	(1,638)	(581,937)	64,782	1,485	66,277
At 1 January 2014 (Audited)	235,563	-	5,573	391,534	11,157	(1,638)	(578,210)	63,979	1,491	65,470
Loss for the period	-	-	-	-	-	-	(5,009)	(5,009)	(16)	(5,025)
Other comprehensive loss for the period	-	-	(983)	-	-	-	-	(983)	(9)	(992)
At 30 September 2014 (Unaudited)	235,563	-	4,590	391,534	11,157	(1,638)	(583,219)	57,987	1,466	59,453

## DIVIDEND

The Directors do not recommend the payment of any dividend for the nine months ended 30 September 2014 (nine months ended 30 September 2013: Nil).

## FINANCIAL REVIEW

During the nine months ended 30 September 2014, the Group recorded a revenue of approximately HK\$37,588,000 (nine months ended 30 September 2013: HK\$56,786,000), representing a decrease of 33.81%. The Group recorded a decrease in revenue as compared to that of previous period. As a result of malicious litigation by Zhenjiang New District, Boss Dream (China) Limited's ("Boss China") business still aborted and recorded no revenue for the nine months ended 30 September 2014. (nine months ended 30 September 2013: Nil).

During the nine months ended 30 September 2014, the Group reported a loss of approximately HK\$5,025,000 (nine months ended 30 September 2013: HK\$6,524,000).

## OPERATIONAL REVIEW

The Group was principally engaged in (i) trading of electronic technology and related products, and (ii) the low carbon products applications. Mainly develop business of low-carbon energy-saving digital media products solutions and applications make use of the energy performance contracting (EPC) and BOT mechanism which would apply to different sectors in the society and different cities.

1. On 10 December 2013, the Company, China Innovation Investment Limited and Hughesnet China Company Limited ("Hughes China") entered into a cooperative framework agreement in relation to Satellite Mobile Internet Project which the Company is responsible for investing in operating equipment on Satellite Mobile Internet Project within the Greater China.

On 9 April 2014, the Company and Hughes China entered into an agreement in relation to the cooperation on construction and operation of free satellite mobile internet (Skynet) and on 11 April 2014, the Company and DishHD Asia Satellite Limited entered into an agreement in relation to the cooperation on the operation of the free satellite television and paid satellite television project of Skynet (Skynet Satellite Vision Project). As regards of the two agreements, Company will generate income from sales of dual-model satellite phone and dual-model satellite television and 50% value added service income from operators using Skynet.



On 11 August 2014, the Company and China Mobile Satellite Communication Group Limited and Smart Number Holdings Limited entered into an agreement in relation to cooperation on the operation of the free satellite internet and pay satellite phone project of Skynet (Skynet Satellite Communication Project). The company will generate income from 50% customer prepayments of using satellite voice service of the Company's satellite phone terminals (with free internet access).

## **OUTLOOK AND PROSPECT**

According to the established EPC and BOT mechanism, the Group provides customers low-carbon energy-saving digital media products solutions, engineering construction and related services and realise the investment return by profit sharing on certain percentage with customers. The Group believes that the low-carbon products business model will bring the Group a huge potential development in the future.

As a result of malicious litigation by Zhenjiang New District, the board is currently expanding the business of the Group in Hong Kong in order to reduce the impact of temporary suspension of business in Boss China to the Group. The Company's directors and management will dedicate their best effort to lead the Group to strive for the best interests for its shareholders.

## **DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARE CAPITAL**

As at 30 September 2014, the interests and short positions of the Directors or chief executives and their associates in the shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) are required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

**(I) INTEREST IN ISSUED SHARES**

Name	Nature of interest	Number of Shares held	Approximately percentage of interests
Kung Ching ( <i>note 2</i> )	Interest of controlled corporation	1,650,914,973 (L)	24.88%

**(II) INTEREST IN THE UNDERLYING SHARES OF THE COMPANY – SHARE OPTION**

Name of Director	Date of grant	Exercise period	Nature of interest	Exercise price per share HK\$	Number of underlying Shares for Share Options	Approximately percentage of interests
Xiang Xin	6 July 2014	6 July 2014 to 5 July 2024	Beneficial owner	0.05	60,000,000 (L)	0.90%
Liang Xiaojin	6 July 2014	6 July 2014 to 5 July 2024	Beneficial owner	0.05	30,000,000 (L)	0.45%
Chen Banyan	6 July 2014	6 July 2014 to 5 July 2024	Beneficial owner	0.05	30,000,000 (L)	0.45%
Sun Kuan Chi	6 July 2014	6 July 2014 to 5 July 2024	Beneficial owner	0.05	30,000,000 (L)	0.45%
Zhang Zhan Liang	6 July 2014	6 July 2014 to 5 July 2024	Beneficial owner	0.05	30,000,000 (L)	0.45%
An Jin	6 July 2014	6 July 2014 to 5 July 2024	Beneficial owner	0.05	30,000,000 (L)	0.45%
Chen Yicheng	6 July 2014	6 July 2014 to 5 July 2024	Beneficial owner	0.05	30,000,000 (L)	0.45%

**(III) INTEREST IN THE UNDERLYING SHARES OF THE COMPANY – CONVERTIBLE BONDS**

<b>Name</b>	<b>Nature of interest</b>	<b>Number of underlying Shares for Convertible Bonds</b>	<b>Approximately percentage of interests</b>
Kung Ching ( <i>note 2</i> )	Interest of controlled corporation	3,827,193,135 (L)	57.68%

*Notes:*

1. The letter "L" denotes the Shareholders' long position in the Shares.
2. The Shares and the underlying Shares of the Company are held by Honour Sky International Limited which Ms. Kung Ching, spouse of Mr. Xiang Xin, is the ultimate beneficiaries of such company.

Save as disclosed above, as at 30 September 2014, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) are required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 September 2014, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or a chief executive of the Company) had, or were deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying voting rights to vote in all circumstances at general meeting of any members of the Company:

### (I) INTEREST IN ISSUED SHARES

Name	Nature of interest	Number of Shares held	Approximately percentage of interests
Honour Sky International Limited	Beneficial owner	1,650,914,973 (L)	24.88%
New Times Global Capital Inc. (note 2)	Interest of controlled corporation	1,650,914,973 (L)	24.88%
Morgan Strategic Limited	Beneficial owner	1,236,032,432 (L)	18.63%
Top Ten International s.a.r.l. (note 3)	Interest of controlled corporation	1,236,032,432 (L)	18.63%
Chen Darren (note 3)	Interest of controlled corporation	1,236,032,432 (L)	18.63%
Tao Xue Juan (note 4)	Interest of controlled corporation	1,236,032,432 (L)	18.63%
Ocean Space Development Limited	Beneficial owner	141,564,000 (L)	2.13%
Zhang Shao Cai (note 5)	Interest of controlled corporation	141,564,000 (L)	2.13%

**(II) INTEREST IN THE UNDERLYING SHARES OF THE COMPANY — CONVERTIBLE BONDS**

<b>Name</b>	<b>Nature of interest</b>	<b>Number of underlying Shares for the Convertible Bonds</b>	<b>Approximately percentage of interests (note 8)</b>
China Technology Education Trust Association (note 6)	Beneficial owner	8,311,405,405 (L)	125.27%
China New Urbanization Investment Limited (note 7)	Beneficiary of a trust	5,130,000,000 (L)	77.32%
Rao Gui Min (note 7)	Interest of controlled corporation	5,130,000,000 (L)	77.32%
Honour Sky International Limited	Beneficial owner	3,827,193,135 (L)	57.68%
New Times Global Capital Inc. (note 2)	Interest of controlled corporation	3,827,193,135 (L)	57.68%
Ocean Space Development Limited	Beneficial owner	975,057,621 (L)	14.70%
Zhang Shao Cai (note 5)	Interest of controlled corporation	975,057,621 (L)	14.70%
Metropower Holdings Limited (note 8)	Beneficial owner	453,863,459 (L)	6.84%
Timepeak Holdings Limited (note 8)	Interest of controlled corporation	453,863,459 (L)	6.84%
Wang Yan Li (note 8)	Interest of controlled corporation	453,863,459 (L)	6.84%

Notes:

1. The letter "L" denotes the Shareholders' long position in the Shares.

2. Honour Sky International Limited is a private company wholly and beneficially owned by New Times Global Capital Inc. Accordingly, New Times Global Capital Inc. is interested in the Shares and the underlying Shares of the Company held by Honour Sky International Limited. Ms. Kung Ching, spouse of Mr. Xiang Xin, owns 100% share of New Times Global Capital Inc. and is also one of the directors of New Times Global Capital Inc. and are taken to be interested in the Shares and underlying Shares of the Company held by Honour Sky International Limited.
3. Morgan Strategic Limited is a private company 40% owned by Top Ten International s.a.r.l. ("Top Ten") and Top Ten is a private company wholly and beneficially owned by Mr. Chen Darren. Accordingly, Top Ten and Mr. Chen Darren are interested in the Shares of the Company held by Morgan Strategic Limited.
4. Morgan Strategic Limited is a private company 60% owned by Ms. Tao Xue Jun. Accordingly, Ms. Tao Xue Jun is interested in the Shares of the Company held by Morgan Strategic Limited.
5. Ocean Space Development Limited, a company incorporated in the British Virgin Islands, is a private company wholly and beneficially owned by Mr. Zhang Shao Cai. Accordingly, Mr. Zhang Shao Cai is interested in the shares and the underlying shares of the Company held by Ocean Space Development Limited.
6. The underlying Shares of the Company are held by China Technology Education Trust Association (the "Association"), a society registered under the provisions of section 5A(1) of the Societies Ordinance in 2005, which is a charitable society providing charity and financial aid to education and employment in Hong Kong and Mainland China. Mr. Xiang is a chairman of the Association.
7. On 23 December 2011, the Company entered into a second supplemental agreement with Joy China Group Limited, with effect from 1 January 2012, the Company reserve the right to acquire the remaining 80% of the group of Full Smart Asia Limited before 1 January 2015 by paying HK\$113,740,000 convertible bonds and HK\$91,460,000 promissory note to the Vendor when the net asset value of group of Full Smart Asia Limited reach HK\$228,000,000.

On 12 August 2013, Joy China Group Limited has transferred the above-mentioned interest to China New Urbanization Investment Limited and part of the settlement terms, HK\$91,460,000 promissory note, has been altered to HK\$91,460,000 convertible bonds which resulted in settlement terms as HK\$205,200,000 convertible bonds. Mr. Rao Gui Min is the sole shareholder and director of China New Urbanization Investment Limited.

The completion of acquisition remains subject to the fulfillment of the conditions, and subject to the approval of the independent shareholders of the Company.

8. Metropower Holdings Limited is a private company wholly owned by Timepeak Holdings Limited. Accordingly, Timepeak Holdings Limited is interested in the Shares and the underlying Shares of the Company held by Metropower Holdings Limited. Mr. Wang Yan Li owns 100% share of Timepeak Holdings Limited and is the sole director of Timepeak Holdings Limited and taken to be interested in the Shares and underlying Shares of the Company held by Metropower Holdings Limited.
9. The approximately percentage of interests in the Company is calculated on the basis of 6,635,001,932 Shares in issue as at 30 September 2014.

Save as disclosed above and so far as is known to the Directors or chief executive of the Company, as at 30 September 2014, there is no person (other than a Director or chief executive of the Company), had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying rights to vote in all circumstances at general meeting of any other member of the Group.

### **DIRECTORS' RIGHTS TO ACQUIRE SHARES**

Save as disclosed in the above, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the directors or their respective spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### **MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial parts of the business of the Company were entered into or existed during the period under review.

### **COMPETING INTERESTS**

None of the Directors or the management shareholders of the Company or their respective associates as defined in the GEM Listing Rules had any interest in business that competed or might compete with business of the Group during the period under review.

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

## CODE ON CORPORATE GOVERNANCE PRACTICES

During the period under review, the Company had complied with the requirements of the code provisions set out in the Code on Corporate Governance Practices (“CG Code”) contained in Appendix 15 of the GEM Listing Rules, except that:

1. Mr. Xiang Xin is the Chief Executive Officer of the Company during the year 2013.

Mr. Wang Yaomin is the Chairman of the Board of the Company since 4 March 2013.

Following the resignation of Mr. Wang Yaomin and appointment of Mr. Xiang Xin as the Chairman of the Board, Mr. Xiang Xin becomes the Chairman of the Board and Chief Executive Officer of the Company with effect from 5 March 2014. Such practice deviates from code provision A.2.1 of the CG Code which requires that the roles of Chairman and Chief Executive Officer should be separated and should not be performed by the same individual. After evaluation of the current situation of the Company and taking into account of the experience and past performance of Mr. Xiang, the Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage for Mr. Xiang to hold both positions as the Chairman and the Chief Executive Officer of the Company as it helps to maintain the continuity of the policies and the stability of the operations of the Company.

2. The Company has no fixed terms of appointment for non-executive Directors. Independent non-executive Directors are appointed subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the relevant provision under the Articles of Association of the Company. Such practice deviates from the provision A.4.1 of the CG Code which requires that non-executive Directors be appointed for a specific term. The Board has discussed and concluded the current practice of appointing independent non-executive Directors without specific terms but otherwise subject to rotation and re-election by shareholders was fair and reasonable, and does not intend to change the current practice at the moment.



## **SUFFICIENCY OF PUBLIC FLOAT**

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code for dealing in securities of the Company by the Directors. All Directors confirmed that they complied with the required standards as set out in the Rules 5.48 to 5.67 of the GEM Listing Rules throughout the period under review.

## **AUDIT COMMITTEE**

The Company established an audit committee (the "Committee") on 16 July 2002 in accordance with the requirements of the GEM Listing Rules. The Committee currently comprises all three independent non-executive Directors of the Company, Mr. Zhang Zhan Liang as the Chairman, Ms. An Jing and Mr. Chen Yicheng as the members.

The Group's unaudited consolidated results for the nine months ended 30 September 2014 have been reviewed by the Committee, which was of the opinion that such results have complied with the applicable accounting standards and that adequate disclosures have been made.

## **DIRECTORS OF THE COMPANY**

As at the date of this report, the executive Directors are Mr. Xiang Xin, Mr. Liang Xiaojin and Mr. Chen Banyan; the non-executive Director is Mr. Sun Kuan Chi; and the independent non-executive Directors are Mr. Zhang Zhan Liang, Ms. An Jing and Mr. Chen Yicheng; Ms. Kung Ching is an alternate director to Mr. Xiang Xin.

By order of the Board

**China Trends Holdings Limited**

**Xiang Xin**

*Chairman and Chief Executive Director*

Hong Kong, 7 November 2014